

STATE OF TEXAS

§

December 18, 2020

COUNTY OF GRAYSON

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BE IT REMEMBERED THAT A Called Meeting of the Sherman City Council was begun and held in the Sherman Municipal Ballroom on December 18, 2020.

COUNCIL MEMBERS PRESENT: Mayor David Plyler.
Council Members, Howeth, Melton, Steele, Stevenson,
Teamann.

COUNCIL MEMBERS ABSENT: Deputy Mayor Daron Holland.

CITY STAFF PRESENT: Robby Hefton, City Manager; Terrence Steele, Assistant City Manager; Clint Philpott, Assistant City Manager; Rob Ray, Director of Development Services; Wayne Lee, Director of Engineering; Nate Strauch, Community and Support Services Manager; Tammy Davis, Controller; Theresa Hutchinson, Parks and Recreation Manager; Eric Sandberg, Assistant Public Works Manager; Shawn Hackworth, IT Manager; Melissa Eason, Library Services Administrator; Sarah McRae, Tourism/Main Street Manager; Junior Jaimes, Computer Support Technician; Teri Fine, Assistant to the City Manager; Pam Cloer, Assistant to the City Manager; Linda Ashby, City Clerk.

PURPOSE: Call to Order, Quorum Determined, Meeting Declared Open

Pledge of Allegiance Led by Council Member Pamela L. Howeth

Invocation by Council Member Pamela L. Howeth

Citizen Comments

Resolution No. 6676 – Authorizing Execution of a Master Development Agreement with Bel Air Communities, LLC, a Delaware Limited Liability Company, for the Construction of Public Facilities in the Bel Air Village Planned Development, an approximately 288-acre Development East of U.S. Highway 75 and South of F.M. 1417 (Vietnam Veterans Parkway), located wholly within Sherman Tax Increment Reinvestment Zone #7 in the City of Sherman, Texas

Resolution No. 6677 – Approving Amendments to the Bylaws of the Sherman Economic Development Corporation; Providing for a Review of the Bylaws; Providing a Repealing Clause; Providing for an Effective Date

Media Questions

Council Comments

Execution Session – In Accordance with Chapter 551, Govt. Code, V.T.C.S., (Open Meetings Law)

The City Council will now hold an Executive Session pursuant to the provisions of the Open Meetings Law, Chapter 551, Government Code,

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Vernons Texas Codes Annotated, in accordance with the authority contained in the following sections:

Tex. Gov't Code § 551.071 – Seeking the advice of its attorney about pending or contemplated litigation, settlement offers or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

Tex. Gov't Code § 551.072 – Deliberating the purchase, exchange, lease or value of real property if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.

Tex. Gov't Code § 551.073 – Deliberating a negotiated contract for a prospective gift or donation to the City if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.

Tex. Gov't Code § 551.074 – Deliberating the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

Tex. Gov't Code § 551.076 – Deliberating the deployment, or specific occasions for implementation, of security personnel or devices or a security audit.

Tex. Gov't Code § 551.087 – Discussing or deliberating commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay or expand in or near the City and with which the City is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect.

Tex. Gov't Code § 551.089 – Deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementation of security personnel, critical infrastructure or security devices.

Open Meeting

Reconvene into Open Meeting and Consider Action, if any, on items discussed in Executive Session

Adjournment

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

Mayor Plyler called the meeting to order at 11:35 a.m., declared a quorum present, and opened the Called City Council Meeting.

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PLEDGE OF ALLEGIANCE LED BY COUNCIL MEMBER PAMELA L. HOWETH

INVOCATION BY COUNCIL MEMBER PAMELA L. HOWETH

CITIZEN COMMENTS

There were no citizen's comments.

RESOLUTION NO. 6676 – AUTHORIZING EXECUTION OF A MASTER DEVELOPMENT AGREEMENT WITH BEL AIR COMMUNITIES, LLC, A DELAWARE LIMITED COMPANY, FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN THE BEL AIR VILLAGE PLANNED DEVELOPMENT, AN APPROXIMATELY 288-ACRE DEVELOPMENT EAST OF U.S. HIGHWAY 75 AND SOUTH OF F.M. 1417 (VIETNAM VETERANS PARKWAY), LOCATED WHOLLY WITHIN SHERMAN TAX INCREMENT REINVESTMENT ZONE #7 IN THE CITY OF SHERMAN, TEXAS
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A MASTER DEVELOPMENT AGREEMENT WITH BEL AIR COMMUNITIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN THE BEL AIR VILLAGE PLANNED DEVELOPMENT, AN APPROXIMATE 288-ACRE DEVELOPMENT EAST OF U.S. HIGHWAY 75 AND SOUTH OF F.M. 1417 (VIETNAM VETERANS PARKWAY), LOCATED WHOLLY WITHIN SHERMAN TAX INCREMENT REINVESTMENT ZONE #7 IN THE CITY OF SHERMAN, TEXAS.

Robby Hefton, City Manager, introduced a video for a visual introduction to the Bel Air Village Planned Development project.

Mr. Hefton said the Council recently adopted a planned development ordinance. This 300 acre project is a planned development that is primarily residential, with amenities and commercial/retail. The development will be located on the southeast corner of U.S. Hwy 75 and F.M. 1417.

Because the development is so large, it will be handled in a phased approach. The first phase will be multi-family, located in the upper, right-hand corner of the development. The second phase will include some elements of the multi-family, the beach club area, and retail. The third phase will be the remainder of the single-family development. The project will not be a one or two year project, but a project that will take years to “build out.”

Even at this point, he said there is significant interest from single-family developers, and he felt the project would gain momentum very quickly. The way the project is structured, Mr. Hefton said it is good for both the City of Sherman and the developer. It uses a balanced approach and the City is phasing their construction of infrastructure at the same time that the developer is phasing his infrastructure and other improvements. It calls for both parties to begin simultaneously, so the developer and the City will both begin their phase one infrastructure at the same time. Same thing with phase two and phase three.

Mr. Hefton said there are two major aspects to the City's commitment. The first is the infrastructure, which will be done in a phased manner, and the second is committing the income stream generated for the Tax Increment Reinvestment Zone itself. He addressed the timing of the infrastructure and the TIRZ money.

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The City will begin the phase one infrastructure improvements when the developer begins his phase one infrastructure improvements, and the same for the following phases. The TIRZ dollars will be an “all or nothing” situation. Until the developer completes phase two of the project, the City will have rights to all of the revenue generated by the TIRZ, and the developer will have no rights to that income.

When the developer completes phase two, the City will have no rights to any of the TIRZ income and the developer will have all the rights to the TIRZ income, for a 20-year period. It's bounded by time, not by dollars. The starting point is when construction starts on the infrastructure, and the revenue piece is when the phase two infrastructure is completed.

Mr. Hefton said there are other elements and documents that will come along later, especially the Public Improvement District, which is mentioned in the Master Development Agreement, and will be a significant part of the agreement and the project. The PID has not been established yet, but is referenced in the document. The consultant for the PID has already been appointed.

Mr. Hefton mentioned several of the partners that have worked on the project to bring it this far, including the developer, the City Council Committee, and the entire City Council. He said the project wouldn't have happened without having the City Council on board, and he thanked them for the direction they have given the staff on the project.

He said the City is excited about the project, and expects to “move dirt” in 2021, but said the market will determine the “build-out,” but he did expect that it would be a quick build-out because of the amenities and the “wow factor” that the project brings. He said they all want an agreement that is good for everyone. He said they were all there to answer any questions that the Council might have on the project.

Council Member Melton thanked Clint Philpott, Assistant City Manager, for spending so much time with her, answering her questions on the project, and said she is finally comfortable with the agreement. Mr. Hefton said having Mr. Philpott and Terrence Steele, Assistant City Manager, here were critical to the process, and they can also answer any questions about the project.

Council Member Steele thanked Ronny Guerrero, President and CEO, American Communities, LLC, Developer for the Project, for his commitment to Sherman. He said the agreement took a while, but in the end, they are all comfortable with it and the framework has been made for the future. He said he was excited for Mr. Guerrero and for the City of Sherman.

ACTION TAKEN.

Motion by Council Member Steele to adopt Resolution No. 6676, as presented. Second by Council Member Melton.

VOTING AYE: Howeth, Melton, Steele, Stevenson.

VOTING NAY: None.

MOTION CARRIED.

Council Member Teamann entered the meeting at 11:50 a.m.

RESOLUTION NO. 6677 – APPROVING AMENDMENTS TO THE BYLAWS OF THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION; PROVIDING FOR A REVIEW OF THE BYLAWS; PROVIDING A REPEALING CLAUSE; PROVIDING FOR AN EFFECTIVE DATE
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AMENDMENTS TO THE BYLAWS OF THE SHERMAN ECONOMIC DEVELOPMENT

CORPORATION; PROVIDING FOR A REVIEW OF THE BYLAWS; PROVIDING A REPEALING

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CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

Mr. Hefton said in September 2020, the Sherman Economic Development Corporation amended their by-laws to clarify some changes that were made from a previous version of their by-laws. At that time, they unintentionally omitted some elements of the existing by-laws, and they decided to go back and add those elements back in. The most significant omission was making sure that the City Council has representation on the SEDCO Board, through the ex-officio membership. The changes presented today have been adopted by the SEDCO Board, and are presented for City Council approval.

ACTION TAKEN.

Motion by Council Member Howeth to adopt Resolution No. 6677, as presented. Second by Council Member Steele.

VOTING AYE: Howeth, Steele, Stevenson, Teamann.

VOTING NAY: Melton.

MOTION CARRIED.

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

MERRY CHRISTMAS AND HAPPY NEW YEAR

Council Member Melton wished everyone a Merry Christmas and a Happy New Year, and urged them to be safe. She said COVID is very real.

BEL AIR VILLAGE

Council Member Howeth said Sherman has just received the best Christmas present with the passage of the Bel Air Village. She said they appreciated the many hours of work that has been put into the project and said she looks forward to the changes it will bring to Sherman and the new families it will bring in.

MERRY CHRISTMAS, HAPPY HOLIDAYS, AND HAPPY NEW YEAR

Mayor Plyler wished everyone a Merry Christmas, Happy Holidays, and a Happy New Year.

EXECUTIVE SESSION

The City Council will now hold an Executive Session pursuant to the provisions of the Open Meetings Law, Chapter 551, Government Code, Vernons Texas Codes Annotated, in accordance with the authority contained in the following sections:

Tex. Gov't Code § 551.071 –

Seeking the advice of its attorney about pending or contemplated litigation, settlement offers or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

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Deliberating the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

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Tex. Gov't Code § 551.089 –

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On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 11:54 a.m.

On Motion duly made and carried, the Executive Session recessed at 12:06 p.m. and reconvened in Open Meeting.

OPEN MEETING

Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

ADJOURNMENT

There being no further business to come before the City Council, motion was duly made and approved to adjourn the Called Meeting at 12:08 p.m.

ATTEST

MAYOR

CITY CLERK